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*Counsel to the Foreign Representatives  
of Three Arrows Capital, Ltd.*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**DECLARATION OF RUSSELL CRUMPLER IN SUPPORT OF MOTION OF FOREIGN  
REPRESENTATIVES OF THREE ARROWS CAPITAL, LTD. FOR RELIEF FROM  
THE AUTOMATIC STAY TO ALLOW FOR SETOFF OF MUTUAL OBLIGATIONS**

I, Russell Crumpler, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury  
under the laws of the United States of America, as follows:

1. I am a Senior Managing Director of Teneo (BVI) Limited (“Teneo”) in the British  
Virgin Islands (“BVI”). I, along with my colleague Christopher Farmer (also of Teneo), have  
been appointed as a joint liquidator (collectively with Mr. Farmer, the “Foreign Representatives”)  
of Three Arrows Capital, Ltd. (“3AC”) by the Eastern Caribbean Supreme Court in the High Court

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax  
identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius  
Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network  
Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8  
Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius  
Network LLC’s principal place of business and the Debtors’ service address in these chapter 11  
cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

of Justice (Commercial Division) (the “BVI Court”). Mr. Farmer and I have also been recognized as the foreign representatives of 3AC in the Chapter 15 case pending before the United States Bankruptcy Court for the Southern District of New York styled *In re Three Arrows Capital, Ltd.*, Case No. 22-10920 (Bankr. S.D.N.Y. 2022).

2. I submit this declaration in support of the *Motion of Joint Official Liquidators of Three Arrows Capital, Ltd. for Relief from the Automatic Stay to Allow for Setoff of Mutual Obligations* filed contemporaneously herewith (the “Motion”).<sup>2</sup>

3. I am over the age of 18, and I am duly authorized to make this declaration acting in my capacity as a foreign representative of 3AC. Except as otherwise indicated, the facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning 3AC. I am authorized to submit this declaration on behalf of 3AC, and if called upon to testify, I could and would testify competently to the facts set forth herein.

4. Based upon the investigation conducted by Mr. Farmer and me, with the assistance of Teneo employees and retained advisors, 3AC was an investment firm incorporated in the BVI with a focus on trading cryptocurrency and other digital assets. 3AC was founded in 2012 and initially focused on foreign exchange arbitrage before shifting to cryptocurrency trading in 2018.

5. Our investigation to date has further revealed the following:

- i. Celsius Network was a lender to 3AC, having extended three loans in particular with a total initial U.S. dollar value of over \$160 million. More specifically, our investigation suggests that Celsius Network extended the following loans

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

to 3AC:

- a. A series of unsecured advances of bitcoin (“BTC”) pursuant to a Digital Assets Lending Agreement dated as of May 25, 2019 with a balance as of June 16, 2021 of 2,250 BTC (the “First Loan”);
  - b. A U.S. Dollar Coin (“USDC”) loan in the equivalent amount of \$50 million secured by 1,697.79 BTC extended on May 22, 2022 (the “Second Loan”); and
  - c. An unsecured USDC loan in the equivalent amount of \$25 million extended on May 31, 2022 (the “Third Loan”).
- ii. Our investigation to date also suggests that 3AC made three payments toward its obligations under the First Loan with an aggregate U.S. Dollar value of \$65,267,248. Those payments consisted of a 1,250 BTC payment on May 12, 2022, and a 335 BTC and 665 BTC payment on May 13, 2022.
  - iii. Our investigation also suggests that Celsius Network exercised its post-default secured party rights as to the BTC collateral posted as security for the Second Loan.
  - iv. Further, our investigation suggests that no payments were made by 3AC to Celsius Network toward the Third Loan.

6. On June 27, 2022, the BVI Court issued an order for the liquidation of 3AC. Mr. Farmer and I were appointed as joint liquidators in that proceeding on June 27, 2022.

7. I am informed, and therefore have reason to believe, that 3AC holds a BVI law avoidance action claim in the amount of the \$65,267,248, whose value is equal to the payments made on May 12 and 13, 2022 toward the First Loan, and interest.

8. My review of the documents submitted in the BVI Proceeding and my participation in the BVI Proceeding in my capacity as joint liquidator suggest that Celsius Network has asserted a claim in the BVI Proceeding in the amount of \$41,210,309.24, which is comprised of (i) the unpaid \$25 million principal balance, accrued interest of \$619,520.55 and late fees of \$395,483.69 due under the Third Loan, and (ii) a \$15,195,305 unsecured deficiency claim remaining after the proceeds of foreclosure on the BTC collateral for the Second Loan were applied.

9. I have served as a joint liquidator in numerous BVI insolvency proceedings. As a result of having served in the role of joint liquidator, I have come to understand that distributions toward allowed claims are made net of claims held against the claimant by the company that is the subject of the insolvency proceedings, including claims asserting that the applicable creditor has received an unfair preference as that term is defined under BVI law.

Dated: September 26, 2023

/s/ Russell Crumpler  
Russell Crumpler of Teneo (BVI) Limited as  
Foreign Representative of Three Arrows  
Capital, Ltd.